

U.S. Department of
Homeland Security

United States
Coast Guard



Commandant
United States Coast Guard

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16113
June 24, 2008

Mr. J. Michel Marcoux
Bruder, Gentile & Marcoux, LLP
1701 Pennsylvania Ave, NW
Washington, D.C. 20006-5807

Dear Mr. Marcoux:

This letter is concerning Port Dolphin Energy LLC's pending application for a license under the Deepwater Port Act of 1974 (DWPA) (33 U.S.C. §§1501 et seq) to own, construct and operate the Port Dolphin LNG Deepwater Port (DWP) and associated pipeline off the coast of Florida. The draft Environment Impact Statement (EIS) for the license application was published on April 17, 2008. Pursuant to the requirements of 33 C.F.R. §148.107, an applicant for a license under the Deepwater Port Act is required to assist us in gathering information crucial to the processing of its application. Accordingly, based on the comments received on the draft EIS we require additional project information in order to develop the final EIS. The enclosure contains a list of information needed for the final EIS, as well as a requirement from the Maritime Administration to resolve any outstanding financial responsibility issues. The Maritime Administration will address this information requirement in greater detail separately with the applicant as necessary. In addition to items identified, we expect further data needs as a result of your recent announcement to alter the offshore pipeline route to avoid sand recovery areas. Finally, in order to assist in the preparation of the Record of Decision, the licensing agency may require additional information be submitted in advance of the final public hearing.

Based on the above, and as allowed by 33 C.F.R. §148.107, we have determined that in order to complete the EIS within the statutory timeframe required by the Deepwater Port Act, we must suspend processing of the license application until the information needed is received, analyzed and once again determined to be complete. The period of suspension shall not be counted in determining the date prescribed by the time limits set forth in 33 U.S.C. §1504(g) and §1504(i)(4) of the Deepwater Port Act. Development of the final EIS will continue during this period and will be completed after receipt of the requested information. A final public hearing will be held following publication of the EIS and receipt by the Maritime Administration of any additional information required to process the license application.

We believe this letter accurately conveys the information we need to complete the final EIS however, we may require further information at a later day. Every effort will be made to provide any additional data requests as soon as possible.

If you have any questions you may contact Mark Prescott at (202) 372-1440 or Mr. Keith Lesnick at (202) 366-1624.

Sincerely,

A handwritten signature in blue ink, appearing to read "M. A. Prescott".

M. A. Prescott
Chief, Deepwater Ports Standards Division
U.S. Coast Guard
By direction

A handwritten signature in blue ink, appearing to read "H. Keith Lesnick".

H. Keith Lesnick
Director, Office of Deepwater Port Licensing and
Offshore Activities
Maritime Administration

Encl: List of Data Gaps 148 – 167 dated June 24, 2008.

Data Gaps and Request for Clarification and References – updated June 24, 2008

148.	Alternatives 6/13/08-In Volume II, Section 2.9.4 of the application, use of Floating Storage and Regasification Vessels (Units) (FSRU) are discussed as an alternative port design. Please provide details of the review that was conducted that concluded that "...the SRV system had fewer environmental impacts, operational issues, and weather-based concerns..." Include discussions of weather related restrictions such as minimum water depth to accommodate tidal and storm events, operating restrictions based on wind, wave or current restrictions, and other parameters that resulted in the conclusion that "...the SRV system potentially was more reliable, provided greater flexibility, and was more compatible with Port Dolphin's business model."
149.	Alternatives 6/16/08– Please provide additional discussion of the separation distance of the HDD entry point from the Gulfstream Pipeline as it comes ashore at Port Manatee. Please identify any other FERC approved projects that have executed HDDs in such close proximity to another operating pipeline. Please identify any safety precautions or other conditions required by FERC or the operating pipeline owner in approving the HDD construction plans. If no other HDD has been conducted within the proposed separation distance, provide information on the next closest approved HDD and additional justification for why your HDD plans should be approved.
150.	BIO 6/13/08-There are a number of documents referenced in the Final Environmental Impact Statement for the Gulfstream Interstate Pipeline Project (January 2001), (Gulfstream Natural Gas System, L.L.C. – FERC Docket Number – CP00-6-000) that would be useful in evaluating the potential impacts of the proposed and alternative pipeline routes. If you have access to the following documents, please provide copies: Sea Byte (2000) study referenced on page 4-42; Geophysical Surveys referenced with regard to artificial reefs on page 4-42; Sea Byte's live/hardbottom survey from the Florida three league line to the 330 ft. contour referenced on page 5-9; sedimentation and turbidity modeling referenced on page 5-28; hydrologic modeling referenced on page 5-42; anchor scar study referenced on page 5-52; Benthic Habitat Survey for OCS waters referenced on page 5-87; maps of hardbottom areas referenced on page 7-14; results of impacted hardbottom monitoring plan referenced on page 7-14; Geophysical Survey and Video Mapping of marine benthic communities referenced on page 4-12 of Appendix H
151.	BIO 6/13/08-Please provide the maximum hydrostatic test water intake velocity referenced at several points in section 4 of the Port Dolphin DEIS. If hydrostatic test water intake rate will not be limited to 0.5 ft/s, please describe the methods that will be used to minimize impingement or entrainment of marine resources at the intake for the hydrostatic test water
152.	BIO 6/13/08-Please provide a list of species observed over soft bottom substrate during survey. If species were not quantified during the survey, please provide an explanation.
153.	BIO 6/13/08-Please indicate whether the increase in cooling water discharge temperatures above ambient are expected to be the same for both winter and summer sea temperatures
154.	BIO 6/13/08-Please provide documentation from FERC granting permission to changes requested in FERCs Wetland and Waterbody Construction and Mitigation Procedures, such as a wider ROW for construction through wetlands.

Data Gaps and Request for Clarification and References – updated June 24, 2008

155.	BIO 6/13/08- Please discuss whether there will be times during the HDD that drilling activity cannot be stopped should a manatee enter the area (e.g., during punch out). Should there be times where HDD activities cannot be stopped, please identify the procedures to ensure that no impacts to this or other endangered species will occur.
156.	BIO 6/13/08- Please discuss your plans to comply with measures as outlined in Minerals Management Service's Notice to Lessees No. 2006-G12 for manatee protection. If ancillary activity will involve using boats from a port located south of the Suwannee River mouth in Florida, a manatee protection plan equivalent to the specified manatee protection plan of the NTL will be required (http://www.gomr.mms.gov/homepg/regulate/regs/ntls/2006%20NTLs/06-g12.pdf).
157.	NOISE 6/13/08- Volume II, Section 9.3.2 of the application does not address the use of helicopters to support construction, operation or decommissioning activities. Please verify that will not be used. If helicopters are being used during these phases, please provide information on the types of helicopters used, as well as number of daily flights per type of helicopter, and information on noise analysis for their use.
158.	SOCIO 6/13/08- Please provide any financial analysis done for sand resources, and the related effects on those sand resources by the pipeline. Include any economic data for the effects on tourism, recreation, and recreational fishing.
159.	SOCIO 6/13/08- Please identify potential mitigation for effects on sand resources from project construction and operation.
160.	GEOLOGY-6/13/08- Please provide the Geotechnical Survey results and Construction Plans for the onshore and offshore portions of the pipeline for both the Proposed and Southern Route Alternatives.
161.	GEOLOGY-6/13/08- Please provide all available information on sand resources available in the Tampa Bay area of western Florida for beach restoration projects.
162.	GEOLOGY-6/13/08- Please provide additional information on the depth of the sand resources in the affected area.
163.	GEOLOGY-6/13/08- Please provide any information on the effect of the Proposed Pipeline Route alternative on shore protection programs.
164.	GEOLOGY-6/13/08- Please provide any information on the effect of the Proposed Pipeline Route alternative on modified evacuation routes for both Anna Maria Island and Longboat Key.
165.	GEOLOGY-6/13/08- Please provide any studies or research that reveals impacts on near-shore beach-compatible white sand resources, and how Port Dolphin would allow affected areas to implement their State-approved Comprehensive Beach Management Plans.
166.	GENERAL – Please provide details of the recently announced proposed modification to the deepwater port pipeline route.
167.	FINANCIAL RESPONSIBILITY- Resolution of any outstanding financial responsibility issues to the satisfaction of the Maritime Administration.